



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 12, 2008

H.R. 4137 **College Opportunity and Affordability Act of 2008**

As passed by the U.S. House of Representatives on February 7, 2008

SUMMARY

H.R. 4137 would reauthorize and amend most postsecondary education programs under the Higher Education Act of 1965 through 2013. Under the General Education Provisions Act, those authorizations would automatically be extended through 2014. The act also would create several new student and institutional aid programs and amend several other acts.

CBO estimates that enacting H.R. 4137 would increase direct spending by \$27 million over the 2008-2013 period and decrease spending by \$73 million over the 2008-2018 period. (This estimate is relative to CBO's March 2008 baseline, and also reflects legislation enacted since then. See the "Previous CBO Estimates" section for the estimated costs of H.R. 4137 at the time it passed the House.) For discretionary programs, CBO estimates that implementing the act would cost \$142 billion over the 2009-2013 period, assuming appropriation of the necessary amounts.

H.R. 4137 contains several intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate costs to state, local, and tribal governments and private entities to comply with those mandates would not exceed the thresholds established in UMRA (\$68 million and \$136 million, respectively, in 2008, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4137 is shown in Table 1. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

TABLE 1. ESTIMATED BUDGETARY IMPACT OF H.R. 4137 UNDER MARCH 2008 BASELINE

	By Fiscal Year, in Millions of Dollars						2008-
	2008	2009	2010	2011	2012	2013	2013
CHANGES IN DIRECT SPENDING ^{a,b}							
Estimated Budget Authority	-5	-20	-15	-15	-15	-15	-85
Estimated Outlays	7	79	-14	-15	-15	-15	27
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	0	32,032	33,189	33,993	34,477	35,205	168,896
Estimated Outlays	0	8,629	30,868	33,061	34,231	34,963	141,753

Note: Components may not sum to totals because of rounding.

- a. H.R. 4137 would decrease direct spending by a total of \$73 million over the 2008-2018 period (see Table 2). H.R. 4137 also would affect revenues by a negligible amount in every year and over the 2008-2018 period.
- b. Relative to the March 2007 baseline, which was in effect at the time H.R. 4137 was passed, CBO estimated that H.R. 4137 would decrease direct spending by \$65 million over the 2008-2013 period and by \$150 million over the 2008-2018 period.

BASIS OF ESTIMATE

For the purposes of this estimate, CBO assumes that H.R. 4137 will be enacted in fiscal year 2008 and that sufficient funds will be appropriated for each program. For current programs that would remain unchanged, CBO assumes continued funding at their 2008 levels adjusted for inflation. The estimate does not address the changes to the student loan programs and to the Pell Grant Program included in the College Cost Reduction and Access Act (CCRAA, Public Law 110-84), which was signed into law on September 27, 2007.

Direct Spending and Revenues

Relative to the March 2008 baseline, CBO estimates that enacting H.R. 4137 would increase direct spending by \$27 million over the 2008-2013 period and decrease it by \$73 million over the 2008-2018 period (as shown in Table 2). Most of those effects stem from changes affecting eligibility for federal student loan programs and the Academic Competitiveness Grant and SMART Grant programs.

TABLE 2. CHANGES IN MANDATORY SPENDING UNDER H.R. 4137^a

	By Fiscal Year, in Millions of Dollars												2008-	2008-
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2013	2018	
CHANGES IN DIRECT SPENDING														
ACG and SMART Grant Programs														
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0	
Estimated Outlays	12	89	1	0	0	0	0	0	0	0	0	102	102	
Federal Student Loan Programs														
Estimated Budget Authority	-5	-20	-15	-15	-15	-15	-20	-20	-25	-25	-25	-85	-200	
Estimated Outlays	-5	-10	-15	-15	-15	-15	-15	-20	-20	-20	-25	-75	-175	
Total Changes														
Estimated Budget Authority	-5	-20	-15	-15	-15	-15	-20	-20	-25	-25	-25	-85	-200	
Estimated Outlays	7	79	-14	-15	-15	-15	-15	-20	-20	-20	-25	27	-73	

Note: ACG = Academic Competitiveness Grant.

- a. Relative to the March 2007 baseline, which was the basis for budget estimates when H.R. 4137 was passed, CBO estimated that H.R. 4137 would decrease direct spending by \$65 million over the 2008-2013 period and by \$150 million over the 2008-2018 period.

Academic Competitiveness Grant and SMART Grant Programs. H.R. 5715, which cleared the Congress on May 1, 2008, and is now enacted as Public Law 110-227, made several changes to the Academic Competitiveness Grant and SMART Grant Programs, including expanding eligibility to part-time students and eligible noncitizens. Under previous law, only full-time students who are U.S. citizens were eligible for grants. Under Public Law 110-227, those changes are effective January 1, 2009, but H.R. 4137 would make many of those changes effective as soon as it is enacted. Based on data from the National Postsecondary Student Aid Study and other sources, CBO estimates those changes would increase outlays by \$102 million over the 2008-2010 period.

Federal Student Loan Programs. H.R. 4137 would make several changes to the calculations of needs analysis and the rules governing the eligibility of students and institutions for the federal student loan programs. With one exception, CBO estimates that those changes would have a negligible impact on direct spending.

The only estimated impact would result from establishing a six-month post-school grace period on GradPLUS loans disbursed after July 1, 2008. Under current law, borrowers with GradPLUS loans have to begin repaying their loans as soon as they are no longer enrolled at least part time in postsecondary education. The act would give GradPLUS borrowers the same post-school grace period as other student loan borrowers. During that period, the

borrower would not owe any loan payments, but interest on the loan would accrue and be capitalized. CBO estimates this change would reduce direct spending by \$75 million over the 2008-2013 period and \$175 million over the 2008-2018 period.

Private Student Loan Transparency and Improvement. Title X would require the Board of Governors of the Federal Reserve and other financial regulatory agencies to issue regulations and supervise compliance with the new lending standards and procedures in the act. Based on information from the Federal Reserve and other agencies, those regulatory activities would have no significant effect on their workload or budgets. The budgetary effects on the Federal Reserve are recorded as changes in revenues (governmental receipts). Costs incurred by the other financial regulatory agencies affect direct spending, but most of those expenses are offset by fees or income from insurance premiums. Thus, CBO estimates that enacting this provision would reduce revenues by less than \$500,000 in every year and over the 2008-2018 period, and would have a negligible net effect on direct spending.

The National Center for Learning Science and Technology Trust Fund. The act also would create the National Center for Learning Science and Technology to support basic and applied research. Although federal funding for the program would be subject to appropriation (see the discussion below under the heading "Spending Subject to Appropriation"), the act would establish a trust fund that could accept gifts from nonfederal sources and spend any proceeds. CBO estimates that this trust fund would have a negligible effect on revenues and direct spending.

Spending Subject to Appropriation

The act would reauthorize and amend many of the discretionary programs previously authorized by the Higher Education Act of 1965 and would authorize a number of new discretionary programs. In total, CBO estimates that implementing this legislation would increase discretionary outlays by about \$142 billion over the 2009-2013 period, assuming appropriation of the necessary amounts (see Table 3).

Title I. The title would reauthorize funding for a grant program designed to prevent alcohol and drug abuse, would introduce a pilot grant program to help five states develop higher education information systems, and would require the Department of Education to perform a number of studies and prepare several reports. CBO estimates that funding those activities would increase outlays by \$32 million over the 2009-2013 period.

TABLE 3. CHANGES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 4137

	By Fiscal Year, in Millions of Dollars					2009-
	2009	2010	2011	2012	2013	2013
Title I						
Estimated Authorization Level	10	8	8	8	9	45
Estimated Outlays	0	7	7	8	8	32
Title II						
Estimated Authorization Level	730	748	762	354	360	2,954
Estimated Outlays	38	534	678	735	463	2,449
Title III						
Estimated Authorization Level	993	1,011	1,030	1,050	1,069	5,152
Estimated Outlays	53	726	918	1,024	1,044	3,764
Title IV						
Estimated Authorization Level	28,477	29,565	30,350	31,249	32,190	151,830
Estimated Outlays	8,115	28,157	29,729	30,670	31,644	128,314
Title V						
Estimated Authorization Level	300	305	311	317	323	1,557
Estimated Outlays	16	219	277	309	315	1,137
Title VI						
Estimated Authorization Level	120	122	124	127	129	623
Estimated Outlays	6	88	111	124	126	455
Title VII						
Estimated Authorization Level	344	350	357	364	370	1,785
Estimated Outlays	18	251	318	355	362	1,304
Title VIII						
Estimated Authorization Level	402	404	361	306	312	1,785
Estimated Outlays	93	314	374	313	310	1,403
Title IX						
Estimated Authorization Level	653	676	689	703	442	3,163
Estimated Outlays	290	571	650	693	692	2,894
Title X						
Estimated Authorization Level	2	0	0	0	0	2
Estimated Outlays	1	1	0	0	0	2
Total						
Estimated Authorization Level	32,032	33,189	33,993	34,477	35,205	168,896
Estimated Outlays	8,629	30,868	33,061	34,231	34,963	141,753

Note: Components may not sum to totals because of rounding.

Title II. CBO estimates that reauthorizing funding for programs in title II would result in outlays of \$2.4 billion over the 2009-2013 period, assuming appropriation of the necessary amounts.

Title II would authorize the appropriation of \$400 million for fiscal year 2009 and such sums as may be necessary for 2010 and 2011 for two programs that provide grants to aid in the recruitment and professional development of teachers. CBO estimates that discretionary costs for those programs would increase by about \$1.2 billion over the 2009-2013 period, assuming annual adjustments for inflation.

In addition, title II would authorize the appropriation of such sums as may be necessary for 2009 and each of the next four years to carry out a new program under which grants would be provided to enhance teacher education. CBO estimates that implementing the Enhancing Teacher Education program would increase discretionary costs by about \$1.3 billion over the 2009-2013 period. Based on data from similar grant awards, CBO estimates that about 630 eligible entities would receive grants under this program in 2009. As part of this program, the act would authorize an appropriation of \$20 million in 2009, \$25 million in 2010, and such sums as may be necessary through 2013 to provide grants to Teach for America, Inc.

Title III. This title would reauthorize and amend programs that provide aid to institutions and would create several new programs for the same purpose. Those programs are designed to give financial assistance to institutions of higher education that serve a high percentage of minority and low-income students and to help those institutions develop and improve the quality of education they offer such students. H.R. 4137 would authorize the appropriation of \$992 million in 2009 and such sums as may be necessary for 2010 through 2013 for those programs. Based on historical spending patterns and adjusting for inflation, CBO estimates that implementing title III would result in outlays of \$3.8 billion over the 2009-2013 period, assuming appropriation of the estimated amounts.

Title IV. CBO estimates that implementing title IV would increase discretionary costs by \$128 billion over the 2009-2013 period for student assistance programs, assuming appropriation of the necessary amounts.

Pell Grant Program. Title IV would make changes to the Pell Grant Program, which provides grants to low-income undergraduate students. The CCRAA extended the underlying authorization for Pell grants through fiscal year 2017, but did not establish a maximum award level for any year. (The maximum award level of \$4,241 was set most recently in the appropriation for 2008.) H.R. 4137 would raise the maximum award level from \$4,241 to \$9,000 for academic years 2009-2010 through 2013-2014. CBO estimates

those changes would increase discretionary costs for Pell grants by \$96.9 billion over the 2009-2013 period.

The title also would allow students who are enrolled year-round at two-year or four-year institutions to receive more than one Pell grant per year and would prohibit grants to individuals who meet certain criteria. The act would alter the needs analysis for students and definitions and rules relating to institutional eligibility for financial aid, including permitting the use of income data from the second preceding year rather than the preceding year in calculating Pell eligibility. CBO estimates that those changes would increase discretionary costs in the Pell Grant Program by approximately \$2.6 billion over the 2009-2013 period.

Perkins Loan Program. The title would require the department to cancel an increased number of loans for students who meet specific criteria defined in the act and who had received Perkins loans while enrolled in an institution of higher education. When those loans are cancelled, current law requires the department to reimburse the schools that make those loans for the cost of the loan cancellation. (Those costs are treated as discretionary costs in the budget.) The act also would authorize the Secretary to make increased contributions to student-loan revolving funds held by colleges and universities for fiscal year 2009 and for each of the next five years, which would increase the amount of funds that could be loaned out. CBO estimates that this provision would increase discretionary costs by \$1 billion over the 2009-2013 period.

Loan Forgiveness. Title IV would create a new program to forgive loans to borrowers that work in a variety of public-sector jobs. For each year of full-time employment in those jobs, a borrower could have up to \$2,000 forgiven, up to a lifetime maximum of \$10,000. The act would authorize the appropriation of such sums as may be necessary for each of fiscal years 2009 through 2013 for such loan forgiveness. CBO estimates that this provision would increase discretionary costs by \$10.9 billion over the 2009-2013 period.

Other Programs. Title IV would authorize the appropriation of about \$4 billion for fiscal year 2009 and such sums as may be necessary for fiscal years 2010 through 2013 for many student-assistance programs. This title would further authorize the appropriation of such sums as may be necessary for 2009 through 2013 for all other student assistance programs under title IV. Based on historical spending patterns, CBO estimates that implementing those programs would increase discretionary costs by about \$16.4 billion over the 2009-2013 period.

Title V. The act would authorize the appropriation of \$300 million in 2009 and such sums as may be necessary for each of the next four years to operate programs that provide grants to institutions to help expand and improve educational opportunities for Hispanic Americans.

Assuming appropriation of the estimated amounts, CBO estimates that implementing those programs would cost \$1.1 billion over the 2009-2013 period, if adjusted annually for inflation.

Title VI. The act would authorize the appropriation of \$108 million in 2009 and such sums as may be necessary for each of the next four years to operate existing programs related to international education and foreign language studies. Additionally, the act would authorize the appropriation of such sums as may be necessary in 2009 and for each of the next four years to implement new programs detailed in the title. Based on similar programs and current spending patterns, CBO estimates that implementing title VI would cost \$455 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

Title VII. In total, CBO estimates that providing assistance under title VII would cost \$1.3 billion over the 2009-2013 period, assuming appropriation of the estimated amounts.

Title VII would authorize the appropriation of \$205 million in 2009 and such sums as may be necessary for each of the next four years to support a variety of graduate and postsecondary improvement programs. CBO estimates that implementing those programs would increase discretionary costs by \$777 million over the 2009-2013 period.

Additionally, H.R. 4137 would establish the Patsy T. Mink Fellowship Program and would authorize the annual appropriation of such sums as may be necessary for 2009 through 2013. Under this program, institutions that receive grants would have to give fellowship awards consisting of a stipend equal to the level of support provided to the graduate fellows at the National Science Foundation (NSF). Based on the number of institutions that grant advanced degrees in the United States and information from the NSF, CBO estimates that implementing this program would increase discretionary costs by \$375 million over the 2009-2013 period.

Title VIII. H.R. 4137 would add title VIII to the Higher Education Act of 1965 and would authorize the department to establish several new programs to support institutions of higher education. Overall, CBO estimates that it would cost \$1.4 billion over the 2009-2013 period to carry out title VIII, assuming appropriation of the estimated amounts. Major provisions of the title would:

- Authorize a loan program for institutions of higher education affected by the Gulf Coast hurricanes of 2005 and for institutions affected by future disasters. In total, CBO estimates that this loan program would increase discretionary costs by \$265 million over the 2009-2013 period.

Using subsidy rates for loans to schools affected by Hurricane Katrina (76 percent), CBO estimates that these new loans to schools affected by Hurricane Katrina would cost about \$177 million over the 2009-2011 period. Using information from the Federal Emergency Management Agency on the frequency of disasters, CBO estimates that about \$22 million in loans would be required each year to aid schools affected by future disasters. Using the above subsidy rate, CBO estimates that the new loans would cost about \$88 million over the 2009-2013 period.

- Authorize the appropriation of \$40 million for 2009 and such sums as may be necessary for each of the next four years to give grants to institutions to establish degrees that focus on computer modeling and simulation. Based on historical spending patterns, CBO estimates that implementing that program would increase discretionary costs by \$152 million over the 2009-2013 period.
- Authorize grants to improve remedial education. Based on data from the National Center for Education Statistics concerning the level of participation in remedial education opportunities at institutions of higher education, CBO estimates that implementing this provision would increase discretionary costs by \$129 million over the 2009-2013 period.
- Create a competitive grant program designed to expand opportunities for worksite learning at institutions of higher education. Based on information from industry groups, CBO estimates that about 100 partnerships might receive an average grant of \$300,000 in 2009. CBO estimates that providing grants to these partnerships would increase discretionary costs by \$114 million over the 2009-2013 period.
- Create a competitive grant program to help institutions develop emergency communications systems. Based on information from the Department of Education about similar programs, CBO estimates that operating this grant program would increase discretionary costs by \$95 million over the 2009-2013 period.

Title IX. CBO estimates that implementing title IX would result in outlays of about \$2.9 billion over the 2009-2013 period, assuming appropriation of the estimated amounts.

Specifically the act would:

- Create a program to assist eligible institutions in acquiring digital and wireless networking technologies. The act would authorize the appropriation of \$250 million in 2008 and such sums as may be necessary to run the program in each year 2009 through 2012. CBO estimates that implementing this program would increase

discretionary costs by about \$949 million over the 2009-2013 period, assuming annual adjustments for inflation.

- Amend laws related to providing postsecondary education to Native Americans. The act would allow biological children of enrolled tribe members to be officially counted as Native Americans, raise the authorized grant level per individual from \$6,000 to \$8,000 in 2008, and adjust those levels for inflation. Accounting for those and other changes, CBO estimates that implementing those amendments would increase discretionary costs by \$732 million over the 2009-2013 period.
- Reauthorize support for Gallaudet University and the Laurent Clerc National Deaf Education Center. Based on the amount provided to Gallaudet University in 2008 (\$113 million) and assuming annual adjustments for inflation, CBO estimates that providing this support would increase discretionary costs by \$591 million over the 2009-2013 period.
- Reauthorize programs run by the National Technical Institute for the Deaf. Based on the amount provided to the institute in 2008 (\$60 million) and assuming annual adjustments for inflation, CBO estimates that this provision would increase discretionary costs by \$322 million over the 2009-2013 period.
- Expand a program under which grants are provided to states for the training of incarcerated individuals. The act would authorize the appropriation of such sums as may be necessary for fiscal years 2009 through 2013 for this program. Based on data from the Bureau of Justice Statistics, CBO estimates that the change in the age limitation for this program would increase the number of people eligible for services under this program by about 80 percent. CBO estimates that implementing this program would increase discretionary costs by \$167 million over the 2009-2013 period.
- Create a new program that would allow the Department of Justice to forgive student loans for individuals employed as prosecutors and public defenders. The act would authorize the appropriation of \$25 million for each of the fiscal years 2008 through 2013 for such loan forgiveness. Based on historical spending patterns, CBO estimates that this program would cost \$92 million over the 2009-2013 period, assuming appropriation of the authorized amounts.

Title X. This title would direct the Treasury Department and the Government Accountability Office to prepare reports on issues related to private-sector financing of post-secondary education. Based on information from the affected agencies, CBO estimates that preparing

these reports would cost approximately \$2 million over the 2009-2010 period, assuming the availability of appropriated funds.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4137 contains several intergovernmental and private-sector mandates as defined in UMRA. However, CBO estimates that the aggregate costs of intergovernmental and private-sector mandates in the act would not exceed the thresholds established in UMRA (\$68 million and \$136 million, respectively, in 2008, adjusted annually for inflation).

One intergovernmental mandate in the act would impose significant costs on states. The act would require that public universities and colleges offer in-state tuition rates to active-duty members of the armed forces who have lived in the state for more than 30 days and to their dependents. CBO estimates that the cost of compliance with this mandate would be between \$35 million and \$45 million per year.

CBO estimates that several other mandates in the act would impose modest costs on public and private entities. Specifically, the act would:

- Require 5 percent of higher education institutions—those that have had the largest percentage increase in tuition and fees over the past three years—to submit explanatory reports to the Secretary and establish a task force to review operations. Although as many as 215 institutions might be required to submit reports and develop task forces, CBO expects the cost to produce such reports to be small.
- Require that all higher education institutions submit an annual report to the Secretary of Education on how endowment funds have been used to reduce the costs of courses and programs. CBO estimates that the costs of compliance would be modest because most higher education institutions currently report this information on the IRS Form 990.
- Require institutions of higher education to provide textbook information as part of their class schedules. Most schools currently post those schedules online and have mechanisms for collecting course information from professors. This mandate would require small modifications to those systems.
- Prohibit public and private colleges and universities from accepting gifts from private lenders in exchange for any advantage or consideration provided to those lenders. Those schools also would be prohibited from engaging in revenue-sharing agreements and co-branding with private lenders. CBO estimates the direct cost to comply with that mandate would be small because the prohibited practices are rare.

- Increase disclosure requirements for public and private lenders who make educational loans not backed by the federal government. The act would require lenders to give applicants a certain period of time to accept a loan after approval and to change their minds after accepting. The direct cost of initially complying with these mandates would include the cost to a small number of lenders of developing and reviewing new disclosure information for advertising and of modifying existing disclosure forms. According to industry sources, the major ongoing cost would be the cost of fielding questions about the similar but different disclosure forms.
- Require lenders who make educational loans not backed by the government to obtain—and higher education institutions to provide—the loan applicant’s enrollment status, cost of attendance, eligibility for federal student aid, remaining need for financing of the cost, and other information. It also would require lenders to disclose this information to the loan applicant before a loan is consummated and to disclose to the institution the amount of credit extended before funds are transferred. The cost of both making the request and disclosing the loan amount would be minimal.
- Require publishers of college textbooks, including public university presses, to provide certain information to those individuals who make decisions on which texts are used in classes. This information is readily available to publishers and CBO estimates the cost of disseminating it would be modest.
- Require those publishers to make supplemental materials normally sold with textbooks available for purchase separately. According to industry sources, the components of textbooks packaged with other materials are generally available for separate purchase. Furthermore, the added packaging and administrative costs would be modest.

The act contains several additional intergovernmental and private-sector mandates that CBO estimates would not impose significant costs on public or private entities. Specifically, the act would:

- Require institutions of higher education that have students who obtain private educational loans to develop and publish a code of conduct that prohibits a conflict of interest with respect to educational loans.
- Require institutions that have lost recognition by the Secretary of Education as a legitimate institution for immigration and federal employment hiring purposes to remove an indication on its web site that it has that recognition.

- Require institutions to submit a report to the Secretary if they require servicemembers who had to withdraw from schools because they were called to active duty to reapply for admission before returning to classes.
- Preempt certain state contract laws as they apply to Perkins educational loans. Some states allow loan repayment agreements and other contracts to be broken if the borrower was a minor when the contract was signed. If H.R. 4137 is enacted, those state laws would no longer apply to contracts for Perkins loans. The provision would benefit public and private colleges and universities that are trying to collect repayment on loans that could otherwise be disputed under state law.

The act also would authorize funding for student aid and higher education programs and increase requirements for public colleges and universities that participate in voluntary federal programs. Any costs to those institutions or to state, local, or tribal governments would result from complying with conditions of federal assistance.

PREVIOUS CBO ESTIMATES

On December 18, 2007, CBO transmitted a cost estimate for H.R. 4137, the College Opportunity and Affordability Act of 2007, as ordered reported by the House Committee on Education and Labor on November 15, 2007. CBO estimated that enacting H.R. 4137 as ordered reported would decrease direct spending by \$27 million over the 2008-2017 period and increase discretionary costs by \$97.4 billion over the 2008-2012 period. CBO's estimate for H.R. 4137, as ordered reported, used CBO's March 2007 baseline.

In addition, on May 7, 2008, CBO transmitted a cost estimate for H.R. 5715, the Ensuring Continued Access to Student Loans Act of 2008, as cleared by the Congress on May 1, 2008, and enacted as Public Law 110-227. Section 10 of H.R. 5715 is similar to section 401(f) of H.R. 4137, as passed by the House, with regard to the ACG and SMART Grant Programs. H.R. 4137 would expand those programs relative to their scope under H.R. 5715, and this estimate for H.R. 4137 reflects only the additional costs.

CBO's estimate for H.R. 4137, as passed by the House of Representatives, is relative to CBO's March 2008 baseline. Differences between the estimates reflect differences between the two baselines, amendments that were adopted during consideration of the act in the House, and the enactment of H.R. 5715. Under the March 2007 baseline, used to score legislation at the time H.R. 4137 was passed by the House of Representatives, CBO estimated that enacting H.R. 4137 would decrease direct spending by \$65 million over the 2008-2013 period and by \$150 million over the 2008-2018 period.

On November 14, 2007, CBO transmitted a cost estimate for S. 1642, the Higher Education Amendments of 2007, as ordered reported by the Senate Committee on Health, Education, Labor, and Pensions on July 10, 2007. CBO estimated that implementing S. 1642 would increase discretionary costs by \$53.2 billion over the 2008-2012 period. Most of the differences between the estimate of S. 1642 and this estimate are due to using the March 2008 baseline. Other differences between the two estimates reflect differences in the legislation.

On October 4, 2007, CBO transmitted a cost estimate for the Private Student Loan Transparency and Improvement Act, as ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs on August 1, 2007. That legislation is similar to title X of H.R. 4137, and the estimated costs are identical.

ESTIMATE PREPARED BY:

Federal Costs:

Discretionary Spending—Jessica Sherry

Mandatory Spending—Justin Humphrey and Deborah Kalcevic

Revenues—Barbara Edwards

Impact on State, Local, and Tribal Governments: Burke Doherty

Impact on the Private Sector: Nabeel Alsalam

ESTIMATE APPROVED BY:

Keith Fontenot

Deputy Assistant Director for Health and Human Resources,

Budget Analysis Division